



# Committee On Finance

Max Baucus, Ranking Member

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## **Baucus Comments on New Treasury Rule on U.S. Agricultural Sales to Cuba**

(WASHINGTON, D.C.) Today, U.S. Senator Max Baucus, Ranking Member of the Senate Finance Committee, issued the following statement concerning a new rule the Treasury Department is implementing today that threatens the sale of U.S. agricultural products to Cuba. The new rule will require U.S. agricultural exporters to receive payment in advance of shipment of their goods, rather than payment in advance of release of title and physical control of the goods as has been the practice since Congress first authorized U.S. agricultural sales to Cuba in the Trade Sanctions Reform and Export Enhancement Act in 2000.

Last month, Senator Baucus joined with Senator Larry Craig, (R-Idaho), Pat Roberts (R-Kan.), chairman of the Senate Intelligence Committee, and Senator Richard Lugar (R-Ind.), chairman of the Senate Foreign Relations Committee, to introduce legislation that eases restrictions on agricultural sales to Cuba and overturns the new Treasury rule. The bill now has 30 cosponsors.

The statement follows:

"Today, a new Treasury rule takes effect that changes the payment terms of U.S. agricultural sales to Cuba. The new rule violates Congressional intent and threatens what had been a rapidly growing new market for U.S. agricultural products. As of today, any open contracts—including contracts for the sale of \$3 million worth of Montana wheat and peas negotiated months ago—will have to be renegotiated or abandoned, because the rule changes the terms of sale. The new rule will add cost and risk to the deals and could make U.S. exporters less competitive in the Cuban market than foreign vendors.

"Government bureaucrats have no business shutting out American farmers and ranchers of this promising new market. The United States faces a vanishing agricultural trade surplus, and U.S. farm programs face increasing pressure from the budget axe. We should welcome new markets. Last year alone, the Cuban market was worth nearly \$400 million. Cuba went from being our 226th largest agricultural export market in 2000 – dead last – to being our 25th largest agricultural export markets market in 2004.

"When word first got out that the administration was considering changing the rules on U.S. agricultural sales to Cuba, many farm state members of Congress on both sides of the aisle objected. To make clear how serious I was, I warned that I would block significant Treasury nominees that come before the Senate if Treasury made the rule change. Treasury made the rule change regardless, and it goes into effect today. I will not sit idly by as the bureaucrats at

Treasury overturn the will of Congress. I have said in the past, and it remains true today, that I will lift my hold when I feel confident that U.S. agricultural sales to Cuba can continue as they have without incident for the last several years."

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